

Date: October 26, 2026

The National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051
Symbol: FIVESTAR

BSE Limited
Listing department,
First floor, PJ Towers,
Dalal Street, Fort Mumbai 400 001
Scrip code: 543663,974905,975246,975598

Sub: Investor Press Release on the Financial and Operational Performance of the Company for the quarter and half year ended September 30, 2026

Dear Sir/ Madam

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Investor Press Release on the financial and operational performance of the Company for the quarter and half year ended September 30, 2026

This Investor Press Release is also available on the website of the Company at <https://fivestargroup.in/investor-presentation/>

Please note that the Board meeting commenced at 02:00 PM and concluded at 04:20 PM.

Kindly take the above information on record.

For Five-Star Business Finance Limited

Vigneshkumar S M
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Vigneshkumar S M
Date: 2026.10.26
16:37:22 +05'30'

Vigneshkumar SM
Company Secretary & Compliance Officer

Five-Star Business Finance Limited

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Phone : 044 - 4610 6200, e-mail : info@fivestargroup.in, Website : www.fivestargroup.in
CIN : L65991TN1984PLC010844



FIVE-STAR BUSINESS FINANCE LIMITED
New No. 27, Old No. 4, Taylor's Road, Kilpauk, Chennai 600010
CIN: L65991TN1984PLC010844

Chennai, October 26, 2026: The Board of Directors of Five-Star Business Finance Limited, has declared its unaudited financial results for the quarter and six months ended September 30, 2026.

Results for the quarter ended September 30, 2026

Particulars	Q2FY27	Q2FY26	Y-o-Y	Q1FY27	Q-o-Q
AUM (Rs Cr)	14,640	12,847	14%	13,722	7%
Disbursements (Rs Cr)	2,078	1,196	74%	1,496	39%
Gross Stage 3 Assets	3.48%	2.64%	0.84%	3.46%	0.02%
Net Stage 3 Assets	2.14%	1.46%	0.68%	2.10%	0.04%
PAT (Rs Cr)	299	286	5%	271	10%
Net Interest Margin*	19.87%	19.71%	0.16%	19.97%	-0.10%
Return on Average AUM	8.39%	8.98%	-0.59%	8.11%	0.28%
Return on Equity	15.25%	16.91%	-1.66%	14.46%	0.79%

Results for the half-year ended September 30, 2026

Particulars	H1FY27	H1FY26	Y-o-Y
AUM (Rs Cr)	14,640	12,847	14%
Disbursements (Rs Cr)	3,574	2,486	44%
Gross Stage 3 Assets	3.48%	2.64%	0.84%
Net Stage 3 Assets	2.14%	1.46%	0.68%
PAT (Rs Cr)	571	552	3%
Net Interest Margin*	19.91%	19.86%	0.05%
Return on Average AUM	8.25%	8.90%	-0.65%
Return on Equity	14.86%	16.74%	-1.88%

**Net Interest Margin computed as a % of Average AUM.*

Commenting on the results, **Mr Lakshmiopathy Deenadayalan, Chairman & Managing Director**, said,

I am extremely happy to present to all of you, the details about another quarter of strong performance of Five-Star Business Finance Limited ("Five Star" or "Company"). The quarter ended September 30, 2026, saw Five Star delivering very strong numbers across various parameters.

Our upward trajectory in disbursements continued during the current quarter as well, where we recorded our historically best disbursements at INR 2,078 Cr, up 39% over the previous quarter and 74% year-on-year. The loan book also saw robust growth with our AUM at INR 14,640 Cr, a growth of 7% over the previous quarter and 14% year-on-year. Importantly, this growth has come alongside improving collections, stable asset quality and profitability.

Collections were encouraging across buckets during the quarter, and the following metrics bring out the improvement:

1. Our unique customer collection efficiency (excluding NPAs) improved to 98.2% in the current quarter from 97.9% in Q1FY27.

2. X-bucket collections improved to 99.4% from 99.2% in Q1FY27, which has helped contain forward flows. As a result, the current bucket proportion of our AUM rose sharply from 83.30% to 84.78%, and 30+ DPD came down from 12.38% to 11.50%.
3. Our slippage ratio (defined as increase in NPAs + write offs as a % of the opening standard AUM) eased marginally to 0.68% from 0.70% in Q1FY27. Gross Stage 3 assets were broadly stable at 3.48%, despite macroeconomic headwinds being witnessed across the industry.
4. Credit cost improved to 1.80% of average AUM from 1.85% in Q1FY27. We expect flattish credit slippages and credit cost for the rest of the year, despite the industry headwinds.

With our collection framework delivering better than expected results, we continue to focus on bringing back the growth momentum Five Star is known for. Disbursements for H1FY27 stood at ₹3,574 Cr, up 44% year-on-year. AUM grew 7% sequentially, a step-up from the 4% growth in Q1, and 14% year-on-year to ₹14,640 Cr. With strong collections, controlled slippages and credit cost and no material impact of the macroeconomic scenario, we are well poised to continue our strong traction in disbursements in the coming quarters, which will help us cross our growth guidance for this year very comfortably.

We availed incremental debt of ₹825 Cr during the quarter at an all-inclusive cost of 8.43%, and our cost of funds on the book eased marginally to 8.78% from 8.80% in Q1FY27. Net Interest Margin remained broadly stable at 19.87% as against 19.97% in Q1FY27 and was 16 bps higher year-on-year, showing that our spreads have held up despite the drop in yields. With the tightening rate cycle, we expect to see some inch-up in our cost of funds, both on incremental debt and on the book, which would have some impact on the spread and NIM. However, we expect to cushion this impact through yield increases on our incremental disbursements, which have been made effective from October 2026.

Further, through the operating leverage that we will be able to achieve in the coming years resulting from increased productivity, higher growth, tighter control over operational and credit cost, we are confident of largely offsetting the hawkish stance of the RBI expected for the next few quarters. This would ensure our RoA remains flattish except for the impact of leverage.

We achieved a PAT of ₹299 Cr for the quarter, up 10% sequentially and 5% year-on-year. This includes a one-time tax benefit of ₹19 Cr pertaining to prior years. RoAUM improved by 28 bps to 8.39% and RoE by 79 bps to 15.25% over the previous quarter. PAT for H1FY27 was ₹571 Cr, up 3% year-on-year. As is our philosophy, we will continue to pursue strong yet sustainable growth, quality and profitability through robust credit underwriting, strong collections and proactive risk management, backed by appropriate technology and AI and supported by a diversified and cost-effective funding profile.

After a year beset with challenges across multiple fronts, we have bounced back stronger than before. Some of these numbers across disbursements and collections are our historical best and clearly validate the actions we have taken over the last few quarters; they also strengthen our confidence that we are moving in the direction of “Onwards and Upwards”, well poised to achieve many more milestones in the quarters to come.

Key Highlights for Q2FY27:

Financial Performance for the quarter:

1. Total income of Rs. 875 Cr; y-o-y growth of 8%
2. PBT of Rs.375 Cr; y-o-y decrease of 2%
3. PAT of Rs.299 Cr; y-o-y increase of 5%
4. RoAUM at 8.39%; q-o-q increase of 28 bps and y-o-y decrease of 59 bps.
5. RoE at 15.25%; q-o-q increase of 79 bps and y-o-y decrease of 166 bps.

Distribution:

1. The Company has increased its branch presence to 875 branches across 11 states / UT.
2. During the quarter, the company opened 19 new branches.
3. Disbursals – The Company disbursed an amount of Rs 2,078 Cr in Q2FY27 as against Rs 1,196 Cr in Q2FY26.

Assets under Management:

1. AUM as of September 30, 2026 ended at Rs 14,640 Cr, growth of 14% on y-o-y basis and 7% on q-o-q basis.
2. AUM is well distributed across 0.51 mn active loans.

Collections & Asset Quality:

1. Unique customer collection efficiency for the quarter stood at 98.2%.
2. 30+ DPD ended at 11.50% as of September 30, 2026.

Provisions:

1. ECL provision carried on books was 253 Cr (excluding ECL maintained on inter-corporate deposits), which translates to 1.73% of the overall AUM.
2. Stage 3 provision was at 201 Cr leading to a provision coverage ratio on stage 3 assets of 39.49%.

Borrowings:

1. Total borrowings including debt securities are at Rs 7,968 Cr as on September'26.
2. The Company carries a liquidity of Rs 1,287 Cr as on September'26.
3. Cost of incremental debt during the quarter was 8.43%.
4. Cost of funds on overall borrowing book for the quarter was at 8.78% as against 8.80% for the quarter ended June 30, 2026.

About Five-Star Business Finance Limited: (www.fivestargroup.in; BSE: 543663; NSE: FIVESTAR)

Five-Star Business Finance Limited is a Non-Banking Finance Company (NBFC-ND-SI) registered with Reserve Bank of India with a network of 875 branches catering to around 510,000 active live accounts in Tamil Nadu (including the Union Territory of Puducherry), Andhra Pradesh, Telangana, Karnataka, Madhya Pradesh, Maharashtra, Uttar Pradesh, Chhattisgarh, Rajasthan and Gujarat. The Company primarily offers small loans for business purposes, asset creation and other economic purposes to small business customers and self-employed individuals after due underwriting of their cashflows and backed by the collateral of their house property.

For more information contact:

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DISCLAIMER:

Certain statements that are made in the Investor Release may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like significant changes in economic environment in India and overseas, tax laws, inflation, litigation, etc. Actual results might differ substantially from those expressed or implied. Five-Star Business Finance Limited will not be in any way responsible for any action taken based on such statements and discussions; and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.